



## Hundreds of homeowners take advantage of state initiative to prevent foreclosures

July 21, 2008 08:36 pm

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[http://www.eagletribune.com/pubiz/local\\_story\\_203203636.html](http://www.eagletribune.com/pubiz/local_story_203203636.html)

LAWRENCE — Some 380 area residents showed up for a foreclosure workshop in Lawrence, looking for help from lenders and credit counselors they hoped could help keep them from losing their homes at auction.

People waited more than an hour to meet with one of nine lenders or loan service companies and attend the workshop put on by Lawrence CommunityWorks, the city of Lawrence, and the state Office of Consumer Affairs and Business Regulation.

This was the fourth such event to be held around the state, said Dan Crane, undersecretary for consumer affairs and business regulation.

The event in Lawrence had the largest attendance yet, he said.

"Every borrower who was there had the opportunity to speak with their lenders or loan servicers," Crane said.

For people whose mortgage holder wasn't at the event, credit counselors from Lawrence CommunityWorks were available to help.

"A lot of people were very relieved," Crane said. "They had positive outcomes or were on their way to positive outcomes."

Crane credited the good turnout with aggressive marketing of the event. Invitations were sent to 3,700 people throughout Essex County who were experiencing mortgage troubles, and the event was publicized in local media.

Kimberly Haberlin, director of communications for consumer affairs, said workshops in Brockton, Springfield and Worcester attracted fewer people.

In all, more than 1,000 people have been helped by the state's initiative.

The high attendance here also reflected the relatively high number of people who are having financial difficulties.

Home values have plummeted nearly 50 percent in Lawrence since 2006. Nearly 1,000 homes have been auctioned off, Mayor Michael Sullivan said. Hundreds more homeowners face foreclosure.

Many people can get help either by agreeing to a payment plan with their lenders, known as a workout, or by selling their homes for less than they owe on the mortgage, something known as a short-sale. Some lenders are willing to go that route to avoid the high cost of foreclosure — estimated to be upward of \$50,000, Crane said.

In some situations, the ownership of the loans is so complex that there are competing interests in the sale of a home.

Crane said many mortgages have been sold into the secondary market in pieces, so investors all over the world may own a piece of someone's mortgage.

"When loans are secured and resold, they are sliced and diced," he said. He said that on any single mortgage, an investor in Singapore could own years one through five of payments, an investor in Europe could own years six to 10, while a pension fund in Colorado could own years 11 to 15.

He said getting those investors to agree on a plan for how to dispose of a property can be difficult.

"They have disparate interests among them in getting a workout," he said. "They say, 'I don't want to make a deal.'"

The result is that many banks are hiring people who specialize in loss mitigation. That is, they work with lenders, borrowers and investors to try to find a solution short of foreclosure.

Many of the people at last week's workshop from the banks and lenders were just such loss mitigation experts.

Haberlin said the next step is for staff members from Lawrence CommunityWorks to follow up with homeowners and lenders to make sure they are getting the help they need to avoid foreclosure.

Juan Bonilla, homeownership education coordinator for Lawrence CommunityWorks, who also attended the event, said most of the people attending were from Lawrence. There also were people from as far away as Plymouth, Lynn and Malden.

He said 75 people waited in line to speak with staff from Countrywide, while Option 1 staffers spoke with 52 people.

Another 69 spoke with credit counselors, including Bonilla.

"We were there until 9 p.m.," he said.

The event was scheduled to run from 2 to 8 p.m. at South Lawrence East School on Crawford Street.

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